

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR ESB 345**

**Citations Affected:** IC 6-1.1-21-10.

**Synopsis:** Reversal of payment delays. Requires the reversal of part of the payment delays in the schedule under which: (1) property tax replacement credit and homestead credit amounts are distributed to taxing units; and (2) distributions to state educational institutions are made. Makes an appropriation. **(This conference committee report does the following: (1) Restores the reversal of certain payment delays to the amounts specified in the Senate passed version of SB 345. (2) Eliminates provisions added by the House of Representatives that would have: (A) delayed the start date for application of annual adjustments to assessed values until the 2007 assessment date; (B) required corporations under certain circumstances to add back to state adjusted gross income deductions taken on the corporation's federal income tax return for the corporation's intangibles expenses and directly related intangible interest expenses; and (C) provided an additional child welfare relief credit in 2006 against property tax liability imposed on a homestead. (3) Resolves technical conflicts with HEA 1040 and HEA 1134.)**

**Effective:** July 1, 2006; January 1, 2007.

Adopted

Rejected

## CONFERENCE COMMITTEE REPORT

**MR. SPEAKER:**

*Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 345 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-21-10, AS AMENDED BY HEA 1040-2006,
- 3 SECTION 139, AND AS AMENDED BY HEA 1134-2006, SECTION
- 4 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 2007]: Sec. 10. (a) There is established a property tax
- 6 replacement fund board to consist of the commissioner of the
- 7 department, the commissioner of the department of local government
- 8 finance, the director of the budget agency, and two (2) ex officio
- 9 nonvoting representatives of the general assembly of the state of
- 10 Indiana. The speaker of the house of representatives shall appoint one
- 11 (1) member of the house as one (1) of the ex officio nonvoting
- 12 representatives, and the president pro tempore of the senate shall
- 13 appoint one (1) senator as the other ex officio nonvoting representative,
- 14 each to serve at the will of the appointing officer. The commissioner of
- 15 the department shall be the chairman of the board, and the director of
- 16 the budget agency shall be the secretary of the board.
- 17 (b) The schedule to be used in making distributions to county
- 18 treasurers during the periods set forth in section 4(b) of this chapter is
- 19 as follows:
- 20 January 0.00%
- 21 February 0.00%
- 22 March 16.70%
- 23 April 16.70%

1	May	0.00% <b>6.20%</b>
2	June	0.00%
3	July	<del>16.60%</del> <b>10.40%</b>
4	August	0.00%
5	September	16.70%
6	October	16.70%
7	November	16.60%
8	December	0.00%
9	The board may authorize the department to distribute the estimated	
10	distributions to counties earlier than what is required under section 4(b)	
11	of this chapter.	
12	(c) The board is also authorized to transfer funds from the property	
13	tax replacement fund for the purpose of providing state tuition support	
14	distributions to school corporations as provided in IC 20-20-33 and	
15	IC 20-43.	
16	<b>SECTION 2. [EFFECTIVE JULY 1, 2006] (a) The purpose of this</b>	
17	<b>SECTION is to reduce accrued payment delay balances that were</b>	
18	<b>created because of the amendment to IC 6-1.1-21-10 made by</b>	
19	<b>P.L.192-2002(ss), SECTION 43, to move the May distribution to</b>	
20	<b>July beginning with the May 2003 distribution and a continuation</b>	
21	<b>of the practice of delayed payments in subsequent years.</b>	
22	(b) There is appropriated to the property tax replacement board	
23	one hundred thirty-six million five hundred thousand dollars	
24	(\$136,500,000) from the state general fund and the property tax	
25	replacement fund, in the percentage determined by the budget	
26	agency, for its use to distribute the amount of the increase in the	
27	May 2007 distribution required under IC 6-1.1-21-10, as amended	
28	by this act, beginning July 1, 2006, and ending June 30, 2007.	
29	(c) A distribution described in subsection (b) raises the	
30	maximum permissible distribution for property tax replacement	
31	credits and homestead credits that may be made in the state fiscal	
32	year beginning July 1, 2006, and ending June 30, 2007, by the	
33	amount of the distribution.	
34	(d) A distribution described in subsection (b) shall be treated as	
35	a distribution under IC 6-1.1-21 for the calendar year in which the	
36	distribution is made. An early additional distribution described in	
37	subsection (b) reduces the amount of the distribution that would	
38	otherwise have been made in July 2007 under IC 6-1.1-21-10, as	
39	effective before the amendment made by this act, by the amount of	
40	the additional distribution.	
41	<b>SECTION 3. [EFFECTIVE JULY 1, 2006] (a) The purpose of this</b>	
42	<b>SECTION is to reduce accrued payment delay balances to state</b>	
43	<b>educational institutions and IHETS that were created because of</b>	
44	<b>the distribution of eleven-twelfths (11/12) of the budgeted amount</b>	
45	<b>in the state fiscal year ending June 30, 2002, and a continuation of</b>	
46	<b>the practice of delayed payments in subsequent state fiscal years</b>	
47	<b>through the state fiscal year ending June 30, 2005.</b>	
48	(b) The following definitions apply throughout this SECTION:	
49	(1) "IHETS" refers to the Indiana Higher Education	
50	Telecommunications System.	
51	(2)"State educational institution" has the meaning set forth in	

1           **IC 20-12-0.5-1.**

2           (c) There is appropriated to the budget agency forty million  
3 dollars (\$40,000,000) from the state general fund for its use for  
4 general repair and rehabilitation or for repair and rehabilitation  
5 of dormitories or other student housing of state educational  
6 institutions, beginning July 1, 2006, and ending June 30, 2007, as  
7 follows:

8	INDIANA UNIVERSITY - TOTAL SYSTEM	\$15,667,060
9	PURDUE UNIVERSITY - TOTAL SYSTEM	10,795,022
10	INDIANA STATE UNIVERSITY	2,399,680
11	UNIVERSITY OF SOUTHERN INDIANA	1,225,670
12	BALL STATE UNIVERSITY	4,077,062
13	VINCENNES UNIVERSITY	1,190,030
14	IVY TECH COMMUNITY COLLEGE	
15	OF INDIANA	4,645,476
16		\$40,000,000

17           (d) Notwithstanding P.L.246-2005, SECTION 32, after review  
18 by the budget committee, the budget agency shall distribute to a  
19 state educational institution after June 30, 2006, and before July 1,  
20 2007, the amount appropriated to the state educational institution  
21 under subsection (c). The distributions under subsection (c):

22           (1) may be made in one (1) or more installments after June 30,  
23 2006, and before July 1, 2007, on the schedule determined by  
24 the budget agency after review of the schedule by the budget  
25 committee; and

26           (2) shall be separately allotted.

27           (e) An appropriation under subsection (c) is in addition to the  
28 appropriations for general repair and rehabilitation made in  
29 P.L.246-2005, SECTION 32, or any other law. Notwithstanding any  
30 other law, an appropriation under subsection (c) does not revert to  
31 the general fund under IC 4-13-2-19.

32           (f) The amount appropriated under subsection (c), when  
33 distributed to a state educational institution, shall be treated as  
34 reducing any claim that the total system of the state educational  
35 institution has to one-twelfth (1/12) of the amount budgeted for the  
36 state educational institution in all line items in HEA 1001-2003,  
37 SECTION 9, for the state fiscal year ending June 30, 2005. Subject  
38 to subsection (g), the amount of the claim reduction for each state  
39 educational institution is equal to the amount distributed to the  
40 state educational institution. The amount of the claim reduction for  
41 the entire system and the amount apportioned for each institution  
42 individually shall be computed by the budget agency. The budget  
43 agency makes the final determination.

44           (g) An amount appropriated under subsection (c), when  
45 distributed to Indiana University, shall be treated as reducing any  
46 claim that IHETS has to one-twelfth (1/12) of the amount budgeted  
47 for the IHETS in all line items in HEA 1001-2003, SECTION 9, for  
48 the state fiscal year ending June 30, 2005. The amount of the claim  
49 reduction is a part of the amount distributed to Indiana  
50 University-Total System apportioned as determined by the budget  
51 agency.

(Reference is to ESB 345 as reprinted February 28, 2006.)

**Conference Committee Report**  
**on**  
**Engrossed Senate Bill 345**

**S**igned by:

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Senator Meeks  
Chairperson

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Representative Espich

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Senator Simpson

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Representative Cochran

**Senate Conferees**

**House Conferees**